

GOVERNMENT OF ANDHRA PRADESH  
ABSTRACT

Energy Department – Mobilisation of funds of Rs.1000 crores by private placement of A.P.Power Bonds through A.P.Power Finance Corporation Limited, Hyderabad – Unconditional and irrevocable Government Guarantee with the Budgetary support – Permission accorded – Orders – Issued.

ENERGY (POWER.III) DEPARTMENT

G.O.Ms.No. 39

Dated:20-09-2011.

Read the following:-

- 1.From the Managing Director, A.P.Power Finance Corporation Limited, Hyderabad, Lr.No.MD/APPFCL/Govt.Guarantee/D.No.212/2011, dt:22.07.2011 and 30.07.2011.
- 2.Finance Department U.O.No.14101/100/PF.I/2011, dt:02.08.2011.

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O R D E R :-

The Managing Director, A.P.Power Finance Corporation Limited has reported in his letter 1<sup>st</sup> read above that the Board of Directors Meeting held on 20.7.2011, it was decided to mobilize funds for an amount of Rs.500 crores with Green Shoe Option to retain over subscription, if any, to the extent of another Rs.500 crores by issuing AP Power Bonds (Series 1/2011) through APPFCL and he has requested the Govt., to accord Government Guarantee for Rs.1000 crores to mobilize funds through APPFCL.

2. Government have proposed in the reference 2<sup>nd</sup> read above, to raise power Bonds for Rs.1000 crores through A.P.Power Finance Corporation Limited towards clearance of additional power purchase dues during 2008-09.

3. After careful consideration of the matter, Government hereby accord permission to the Managing Director, A.P.Power Finance Corporation Limited for raising of funds for an amount of Rs.1000 crores during the Financial Year 2011-12 by private placement of A.P.Power Bonds at a issue size of Rs.500 crores with green shoe option to retain over subscription, if any, to the extent of another Rs.500 crores against unutilized the balance amount of Rs.946.70 crores of Government Guarantee already permitted in the G.O.Ms.No.33, Energy (Power.III) Department, dt:11.08.2010 read with G.O.Ms.No.26, Energy (Pr.III) Department, dt:02.06.2010 and also stand guarantee for repayment of the Principal amount on the due dates of the bonds and the payment of Interest thereon with the following terms and conditions :-

- i] Unconditional and irrevocable Government Guarantee for servicing of the proposed Bonds with name & style of "AP Power Bonds" with budgetary support;
- ii] Since, liability pertains to Government of Andhra Pradesh, not to charge Guarantee Commission for Government Guarantee.
- iii] The Guarantee shall be in force until all the bonds issued by the APPFCL or its successor entities pursuant to the above are redeemed.

4. This order issues with the concurrence of Finance (DCM.II) Department vide their U.O.No.9355/336/DCM.II/2011, dated.20.09.2011.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

DINESH KUMAR  
PRINCIPAL SECRETARY TO GOVERNMENT

To

The Managing Director, A.P.Power Finance Corporation Limited, Hyderabad.  
The Finance (PF.I) / (DCM.II) Department.  
The Accountant General, A.P., Hyderabad.  
The Pay & Accounts Officer, Hyderabad.  
The Deputy Pay and Accounts Officer, Secretariat Branch, Hyderabad.  
SF/SCs(C.No.2812/Pr.III(2)/2011)

//Forwarded:: By Order//

SECTION OFFICER